



North Carolina Department of Health and Human Services

Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

3001 Mail Service Center
Raleigh, North Carolina 27699-3001
Tel 919-733-7011 • Fax 919-508-0951
Michael Moseley, Director

Division of Medical Assistance

2501 Mail Service Center
Raleigh, North Carolina 27699-2501
Tel 919-857-4011 • Fax 919-733-6608
L. Allen Dobson, Jr. MD, Assistant Secretary for Health Policy and Medical Assistance

August 3, 2006

MEMORANDUM

TO: Legislative Oversight Committee
Local CFAC Chairs
NC Council of Community Programs
County Managers
State Facility Directors
LME Board Chairs
Advocacy Organizations
MH/DD/SAS Professional and Stakeholder Organizations

Commission for MH/DD/SAS
State CFAC
NC Assoc. of County Commissioners
County Board Chairs
LME Directors
DHHS Division Directors
Provider Organizations

FROM: Allen Dobson, MD *LAD/mb*
Mike Moseley *MM/pe*

SUBJECT: Enhanced Services Implementation Update # 13: CAP-MR/DD

We have received approval from CMS to increase the number of individuals we can serve through our CAP-MR/DD waiver for the first year of that waiver, which ends August 31, 2006. This amendment will allow us to complete the transition for all of the Medicaid eligible consumers with developmental disabilities who were receiving Community Based Services (CBS), who meet ICF/MR level of care, and who were faced with a loss of service due to CMS' decision not to approve the CBS replacement service, Developmental Therapy, as a Medicaid covered service. At this time, all waiver availability remains reserved for people who are already Medicaid eligible and were receiving Medicaid-covered CBS prior to March 20, 2006. DMH/DD/SAS and DMA will provide notice when there is capacity to reinstate the normal procedures for prioritizing individuals to be added to the waiver. We anticipate that we will be able to address the needs of over 200 additional individuals in the very near future.

We have received a number of questions in regard to effective dates for MR2, when the Plan of Care must be completed, and the effective date for the Plan of Care during the transition from CBS to CAP-MR/DD. Based on information *previously* provided through emails, memos, and Implementation Updates, the expectation has been that the process for submission and approval of MR2s and completion of the Plan of Care for individuals who were identified to potentially meet ICF-MR level of care would proceed as follows:

- MR2 is submitted to the developmental center for determination of ICF-MR level of care.
- While the MR2 is being processed, the case manager completes an abbreviated Plan of Care that crosswalks as closely as possible to the CBS services the consumer was receiving.
- A full Plan of Care is completed by July 20, 2006 or during the consumer's birth month if the birth month is before July.
- Service orders are written to cover both CAP-MR/DD services identified in the abbreviated Plan of Care and Developmental Therapy. *Developmental Therapy was to be used only if the individual was determined not to meet ICF-MR level of care.* (The Plan of Care form was appropriate to use to address Developmental Therapy outcomes should the individual not be eligible for CAP, or a treatment plan could be used and information transferred to the Plan of Care once final level of care determination was made.)

We are hearing that this process was not followed in all cases. This may cause some confusion for consumers, providers and LMEs since the approved MR2s which have been held by Murdoch Center pending approval of the waiver technical amendment will now be released with approval retroactive to March 20, 2006 or the date the MR2 was signed by the physician, whichever is later. For those consumers for whom the above procedures were not followed, the following new deadlines apply:

- A full Plan of Care must be received by the LME by August 18, 2006. For this one time transition only, if the birth month falls within the time period from March through August 2006 for these individuals, no Continued Need Review (CNR) will be required. This is just a one time waiver of this requirement. A CNR must be completed during the expiration month of the MR2 and all CNRs must be completed in the birth month after that.
- The effective date of the Plan of Care must be 3/20/06 or the date of the physician's signature. **Note: The date of the signature on the Plan of Care by the consumer and/or legally responsible person should be the date that the plan is actually signed by the consumer/legally responsible person even if it is after the effective date. Consumers/legally responsible persons should not be requested to back date their signature.**
- For individuals who received a prior approval number during the month of March or sooner, the requirement is that the full Plan of Care will be completed by July 20, 2006 as originally instructed.
- Please remember that once the LME receives the prior approval number from Murdoch for one of the approved MR2s that have been held pending approval of this technical amendment, they must send the original MR2 to Murdoch within 10 days.

Some LMEs have indicated that during this transition to CAP-MR/DD and in recognition of the delay we experienced in receiving approval of the technical amendment, they have paid providers for Developmental Therapy services for consumers who will now be eligible for retroactively for waiver services. In these cases, we recommend the following alternatives.

- The LME and the provider may choose to initiate CAP-MR/DD services at a date later than March 20, 2006 or the date the physician signed the MR2. If Developmental Therapy was provided and paid for through June 30, 2006, waiver services could be initiated effective July 1, 2006. This decision would be influenced by the funding availability of the LME.
 - Under this option, the Plan of Care for the period March 20, 2006 through June 30, 2006 should reflect only Developmental Therapy. A new Plan of Care reflecting waiver services should be initiated effective July 1, 2006.
- If the LME and provider followed the earlier guidance from DMH/DD/SAS and DMA and the actual services the provider rendered could legitimately be billed as either Developmental Therapy or a waiver service, the provider may bill retroactively for the waiver service and repay the LME for the payments made for Developmental Therapy. In order to exercise this option, the provider must have completed all applicable CAP-MR/DD service documentation at the time of service delivery.
 - Under this option, the Plan of Care should be modified to reflect only the waiver service effective March 20, 2006.

We know that this process to address the needs of people negatively impacted by the CMS decision has been difficult for LMEs, providers and consumers. We are pleased that we have ultimately been able to add so many people to the CAP-MR/DD waiver, but we know that the process has been somewhat stressful. We appreciate all of the hard work by LMEs, providers, consumers and their families to make this effort a success.

If you have any questions or issues regarding this transition that have not been addressed in this memo, please submit questions to contactdmh@ncmail.net.

cc: Secretary Carmen Hooker Odom
Allyn Guffey
Dan Stewart
DMH/DD/SAS Executive Leadership Team

William Lawrence, MD
Tara Larson
Carol Robertson
Angela Floyd

Lynette Tolson
Kaye Holder
Wayne Williams